

Travis County Community Supervision and Corrections

2015 Inherent Risk Assessment



Executive Office Building



Criminal Justice Center



North Unit



South Unit



Mental Health Unit



SMART Unit

TRAVIS COUNTY AUDITOR'S OFFICE
Risk Evaluation & Consulting Division

May 10, 2016

TRAVIS COUNTY AUDITOR'S
OFFICE

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To: Charles Robinson
Director, Travis County Community Supervision and Corrections Department

From: Nicki Riley, CPA
Travis County Auditor

Date: May 10, 2016

Re: 2015 Risk Assessment – Community Supervision and Corrections Department

The Risk Evaluation and Consulting Division (REC) of the Travis County Auditor's Office has completed a risk assessment of the Travis County Community Supervision and Corrections Department (CSCD). The objective of the risk assessment was to assist CSCD in identifying potential risks or exposures associated with their business processes, allowing them to implement or adjust internal controls as they deemed necessary.

We began by performing an engagement-level inherent risk assessment focusing on identifying and rating risks that are intrinsic to CSCD's activities and business processes. To a limited extent, we considered the impact of internal controls implemented by management to mitigate these risks. As such, the reported risks represent potential exposures. While we are not providing a judgment of how well management is addressing risk, we have noted some "areas of concern" that involve a variety of issues, risks, and potential control items.

A summary of our methods and results comprises the first nine pages of the report. The organizational structure, mission and objectives, significant activities, and financial data for CSCD are provided on pages 10 through 15. The details of each division's risk assessment, including the identified business processes, inherent risks, controls implemented by management, and the inherent risk ratings, are provided on pages 16 through 30.

BACKGROUND

When a person is convicted of a crime, the Criminal Court may defer a sentence to jail or prison and order the offender into a probation program. The Travis County Community Supervision and Corrections Department (CSCD), also known as Adult Probation Department, is responsible for

supervising these adults and monitoring their compliance with the conditions of their probation as set forth by the court. Conditions include reporting to a probation officer, paying fees/fines, performing community restitution, abstaining from the use of alcohol/drugs, and often participating in programs. If the offender fails to comply, the Court may revoke probation and impose their sentence.

The mission of CSCD is to impact the community by making it safer and changing the lives of those placed under its supervision. CSCD strives to change the offender's behavior through a variety of strategies and interventions. The goal is for the offender to accept personal responsibility and live life as a productive citizen. CSCD works with the community so each individual successfully makes restitution to the community/victims, meets their supervision conditions, and fully participates in programs and services to positively change their lives and be law abiding.

The CSCD program is intended to accomplish long-term goals as follows:

- Provide increased opportunities for criminal defendants to make restitution to victims through financial or community service,
- Provide increased use of community programs and services designed specifically to meet local jurisdiction needs,
- Allow the jurisdiction to increase its involvement and responsibility in developing sentencing programs that provide effective sanctions for criminal defendants,
- Develop standardized tracking and evaluation criteria and methodology to assess the impact of community-based correctional services on recidivism,
- Promote efficiency and economy in the delivery of community-based correctional programs consistent with the objectives defined by law.

SCOPE

The risk assessment covered the operations of CSCD and was limited to the business processes that were in place during the time the risk assessment was being performed - the three months ending September 30, 2015. In addition, only the inherent risks were rated, meaning there were no tests of controls or transactions to assess control risk. All client meetings were held at the CSCD Office.

ENGAGEMENT TEAM

Lisa Denton, CFE, Senior Auditor
Amanda Muehlberg, Staff Auditor
Jennifer Bodiker, Staff Auditor

CLOSING

This report is intended solely for the information and use of CSCD and Auditor's Office management. We greatly appreciate the cooperation and assistance received from management and staff during this risk assessment. Please contact our office if you have any concerns or questions regarding this report.



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Nicki Riley, CPA
Travis County Auditor

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INTRODUCTION TO THE RISK ASSESSMENT REPORT FORMAT

WHAT IS RISK ASSESSMENT?

Risk assessment is a systematic process of evaluating the potential negative outcomes, such as financial loss, that may occur in a business process.

HOW DOES THE RISK ASSESSMENT PROCESS WORK?

The risk assessment process includes three steps: data gathering; business process, risk and control identification; and risk rating. In data gathering, we collect information about the functional area under review to gain an understanding of its objectives, operations, and processes. We then identify what processes are in place, the inherent risks for each process, and the internal controls that have been implemented by management. The last step is to rate the risks identified for the business processes handled by the functional areas under review by evaluating them based on risk factors and assigning risk ratings.

HOW ARE THE RISK RATINGS ON THE RISK PROFILES CALCULATED?

The risks associated with each business process can be described and valued based on the risk factors of impact and likelihood. Impact evaluates the magnitude or effect resulting from a breakdown in the process and/or controls, whereas likelihood is used to evaluate the probability that the event will occur. The components of likelihood include geographic dispersion, complexity of operations, training and documentation, access to high-risk assets, state of automation, abuse of power potential, and management oversight. The components of impact include volume/dollar value/operational significance, media attention, government regulation, and damage to customers or third parties.

In order to obtain a risk rating for these business processes, we assign a numeric value to each of the above components. Likelihood is graded on a 1 to 5 scale from very remote to probable, while impact is graded on a 1 to 5 scale from very light to very severe. The values are then plotted on the Inherent Risk Matrix to determine the risk rating for the individual business process.

HOW IS THIS REPORT USED BY THE AUDITOR'S OFFICE?

We use risk assessments to allocate audit resources, thus prioritizing areas of greatest risk.

HOW CAN THIS REPORT BE USED BY COUNTY MANAGEMENT?

This report is intended to help management focus their efforts on mitigating the highest risk areas. This includes the distribution of personnel, implementation of internal controls, and allocation of budget resources.

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EXECUTIVE SUMMARY

PURPOSE

During fiscal year 2013, REC began the process of transitioning to the risk-based method of internal auditing. Under this approach, audit resources are directed toward the higher risk areas first. To determine which County offices/functional areas/business processes pose the greatest risk to the County, risk assessments are performed. The two levels of risk assessment are described below:

ENTERPRISE RISK ASSESSMENT (ERA)

This type of risk assessment is performed annually and involves identifying, rating, and ranking risks at the enterprise or County level. The ERA is performed at a higher level both in terms of risk rating thresholds and level of detail. The results of this assessment are used to create the audit plan which is the schedule of internal audit engagements to be performed during the upcoming year. The audit plan is used to prioritize the utilization of audit resources.

AUDIT/ENGAGEMENT RISK ASSESSMENT (ARA)

Risk assessments performed at the engagement level delve into greater detail than ERAs, as they address the risks associated with the processes and activities handled by the County office or functional area under review. This type of risk assessment requires the internal auditor to gain an understanding of the entity's business objectives, flow of operations, business processes, inherent risks, and the system of internal controls implemented by management. During an ARA, there are three types of risks identified, evaluated, and rated as follows:

- **Inherent risk** – The risk to an organization in the absence of any actions management might take to alter either the risk's probability or impact. In other words, the risks intrinsic to the entity's objectives if no internal controls are implemented.
- **Control risk** – The risk that management controls are not efficiently designed or effectively implemented, preventing the organization from meeting its objectives and protecting its assets.
- **Residual risk** – The risk that remains after management has responded to the risk by implementing controls.

To properly implement risk-based auditing, REC will be performing engagement-level risk assessments of all the Travis County offices and departments. For the majority of these entities, we will only be rating the inherent risks during the initial risk assessment. The audit plan will then be tailored to address the higher risk areas first. Going forward, we will periodically update the ARAs and accordingly adjust the audit plan. This is the first risk assessment for CSCD.

METHODOLOGY

The risk assessment process was performed in three phases: data gathering; business process, risk and control identification; and risk rating. Brief overviews of the phases are provided below:

- **Data Gathering** - Collect sufficient information about the functional area under review to gain an understanding of its business objectives and flow of operations.

- **Identification of business processes, risks and controls** - Determine what business processes are in place, the inherent risks associated with the processes, and the internal controls implemented by management to mitigate the risks.
- **Rate inherent risks** - Evaluate the inherent risks and assign risk ratings to the business processes handled by the functional areas under review.

More information about the ARA process is provided in the detailed report section below.

HIGH RISK AREAS

We rated the risks inherent to the business processes handled by all of CSCD on a five-level scale from very low to very high. A summary of the risk ratings is presented in graph form on page 6 of this report. The top business processes in terms of inherent risk are provided below:

BUSINESS PROCESSES

To provide visibility into the business processes which pose the greatest risk to CSCD, we calculated the average risk rating for each business process. A summary of the average risk ratings for the business processes is presented in graph form on page 8 of this report. The top three business processes in terms of inherent risk are provided below:

Business Process	Risk Rating
Cash Handling	High
Court Functions	Medium
Treatment Eligibility	Medium

FUNCTIONAL AREAS

To distinguish which functional areas pose the greatest risk to CSCD, we calculated the average risk rating for each functional area. The top three functional areas in terms of inherent risk are provided below:

Functional Area	Risk Rating
Field Supervision	Medium
Assessment & Treatment Services	Medium
Financial Services	Low to Medium

To see where the functional areas reside within the CSCD reporting structure, refer to the organizational chart on page 10 of this report.

The inherent risks, risk management techniques, and risk ratings for the business processes are provided in detail within the Functional Area Risk Profile which begins on page 16 of this report.

DETAILED REPORT

RISK ASSESSMENT PROCESS

We performed an engagement-level risk assessment of the inherent risks associated with the Travis County Community Supervision and Corrections operations in the following three phases:

DATA GATHERING

In order to perform an accurate and thorough risk assessment, the first step is becoming familiar with the nature of the entity's business activities. To begin this process, we requested the following documents from CSCD:

1. Organizational charts
2. Budget submission forms (PB-3s) which provide program goals, statutorily required/mandated services, discretionary services, funding sources, anticipated reductions in revenues and grant resources, performance measures, historical trends, program efficiencies/outcomes, and proposed reallocations of budget
3. Grant listings
4. Contract listings (inter-local, professional services, and revenue)
5. Listing of programs
6. Fee schedules
7. Policies and procedures
8. Formally documented narratives and flowcharts
9. The Travis County Community Supervision and Corrections web page (<https://www.traviscountytx.gov/adult-probation>)

Before meeting with the CSCD employees, we reviewed the above documentation, prior audit reports, Texas statutes pertaining to the responsibilities of CSCD, guidance provided by regulatory agencies such as the Office of Court Administration (OCA), various narratives, Commissioner's Court Agendas, Backup Support, and Minutes, Travis County Code, and the Comprehensive Annual Financial Report (CAFR).

At the entrance conference, we met with the Director, Assistant Director, and Administrative Services Division Director at their office in the Executive Office Building. At this meeting we provided an explanation of how our office performs risk assessments, as well as the anticipated timeline.

We held meetings with the Division Directors and Managers who gave us a high-level overview of their operations. We subsequently held meetings with employees and others to discuss their operations and business processes in greater detail. During these meetings, the employees described the various tasks they are required to perform. These responsibilities are captured on their respective risk profiles which can be found beginning on page 16 of the report. After the

meetings, we documented their flow of operations and business processes, following up with staff as needed.

IDENTIFICATION OF BUSINESS PROCESSES, RISKS, AND CONTROLS

After completing the process flow documentation, we analyzed the information gathered for each functional area and identified the following: the auditable business processes, potential risks inherent to these processes, and the controls implemented by management to mitigate the risks. We documented the results of this analysis on the Functional Area Risk Profile provided later in this report. Additional details about the information reported on the risk profile schedule are provided below.

BUSINESS PROCESSES

A business process can be defined as a group of interrelated activities or tasks that are initiated to accomplish a specific organizational goal. In the context of a risk assessment performed by REC, business processes include the basic activities used to support financial operations such as cash handling, accounts payable, contract management, etc. Business processes in place at CSCD include the following:

- Accounts Payable
- Accounts Receivable
- Cash Handling
- Professional Services
- Court Functions
- General Ledger
- Inventory
- Treatment Eligibility
- Reporting

POTENTIAL RISKS

To identify the potential risks that could prevent CSCD from achieving their financial objectives, we reviewed the individual steps of their business processes with a focus on what could go wrong that would result in either the failure to meet objectives or in a loss of County funds. We consulted auditing standards for internal and governmental auditors, as well as industry-accepted technical guidance for risk assessment, as needed.

Inherent risks are those risks that exist in the absence of any actions management might take to alter either the risk's probability or impact. Because management control is not a factor in determining the level of inherent risk, a high degree of inherent risk does not indicate poor management or the absence of controls.

REPORTED RISK MANAGEMENT TECHNIQUES/CONTROLS

Risk management techniques/controls were self-reported by division management during the course of interviews and follow-up communications. Although we reviewed their controls for reasonableness, we have not audited or otherwise validated them through audit procedures. After risk management techniques were identified, they were mapped to the risks they were designed to mitigate.

The CSCD's staff and management are very dedicated to improving all aspects of their processes, providing excellent customer service, and maintaining the superior reputation of the office.

RATE INHERENT RISKS

PROCESS RISK RATING

We evaluated the business processes and the associated risks for each functional area, rating the risks based on the risk factors of impact and likelihood. Impact evaluates the magnitude or effect resulting from a breakdown in the process and/or controls, whereas likelihood is used to evaluate the probability that the event will occur. We used the following risk factors to evaluate impact and likelihood:

IMPACT

- Volume/dollar value/operational significance
- Media attention
- Government regulation
- Damage to customers or third parties
- Data privacy and protection

LIKELIHOOD

- Geographic dispersion
- Complexity of operations
- Training and documentation
- Access to high-risk assets
- State of automation
- Abuse of power potential
- Management oversight

Adjustments were made based on auditor judgment and other factors as was deemed appropriate.

We rated impact risk on a five-level scale from very light to very severe and likelihood risk from very remote to probable. The resulting scores were then used to determine the overall inherent risk ratings for each business process using our risk matrix, an example of which is provided below:

Inherent Score					
Risk Impact	Very Severe				
	Severe				
	Moderate				
	Light				
	Very Light				
		Very Remote	Remote	Possible	Likely
		Probable			
		Risk Likelihood			
		Assessed: 0		Unassessed: 0	

Using this matrix, the inherent risk for each business process was rated on a five-level scale as follows:

Color	Risk Rating	Description
Dark green	Very low	The risk of loss is remote or, if a loss were to occur, it would have no material impact.
Light Green	Low	The risk of loss is small and, even if a loss were to occur, it would have little material negative impact.
Yellow	Medium	There is an average risk of loss and, if a loss were to occur, it would likely have a moderate impact on the County.
Orange	High	The activity could potentially result in a significant loss to the County; however, the resulting loss, while significant, would not threaten the County in the long term.
Red	Very high	The activity could lead to significant and harmful loss to the County.

SUMMARY OF RESULTS

GRAPH 1 – RISK PROFILE BY BUSINESS PROCESS

To provide visibility into the business processes which pose the greatest risk to CSCD, we present the results in graph form below:

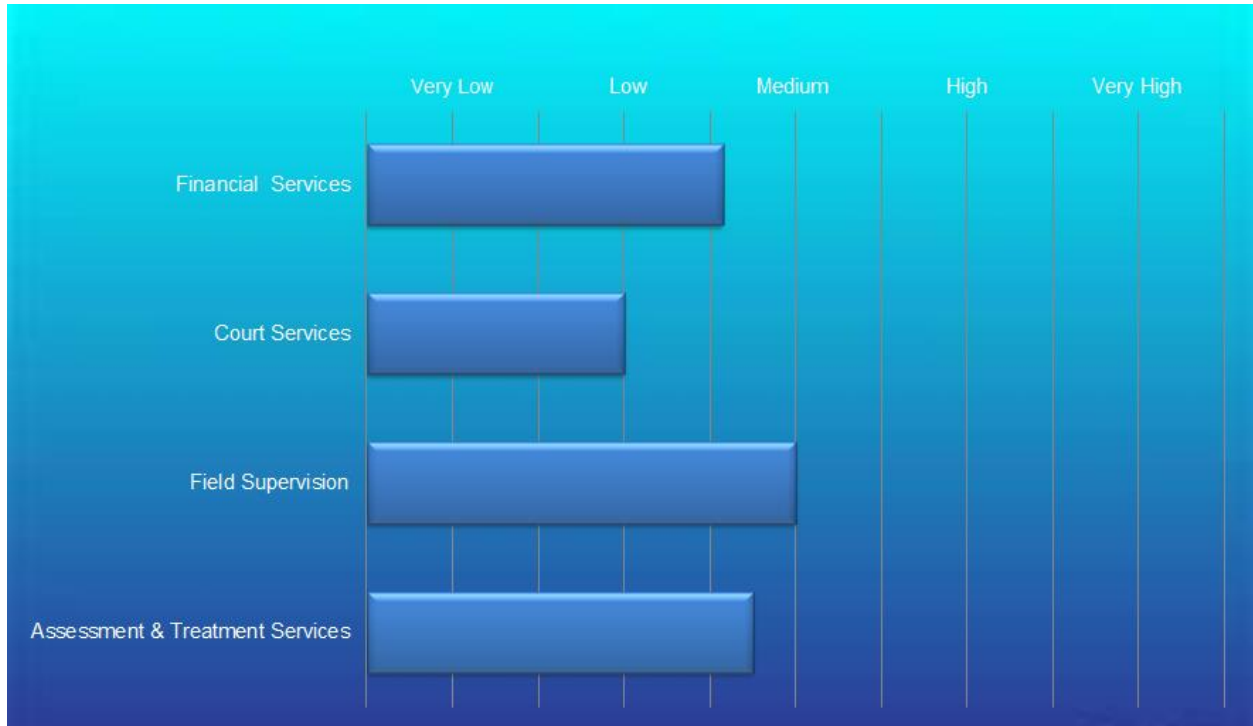


Although most of the business processes included in the above graph are self-explanatory, we have included the following additional information:

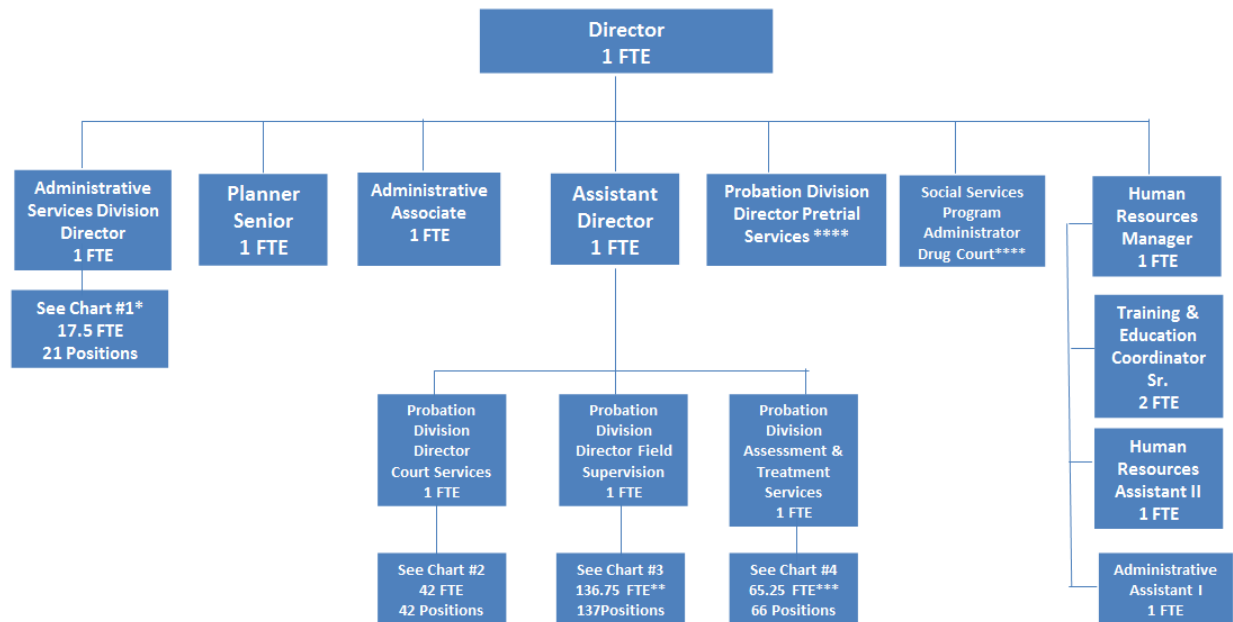
(1) Court Functions – Although there are many activities that fall under the Court Functions process, the ones that are applicable to CSCD include assessing, entering, amending, and waiving court costs, fines, and fees. This function also includes preparing and maintaining the supporting documentation for case files, as well as securing confidential/sensitive information.

GRAPH 2 - RISK PROFILE BY FUNCTIONAL AREA

To provide visibility into the functional areas which pose the greatest risk to CSCD, we present the results in graph form below:

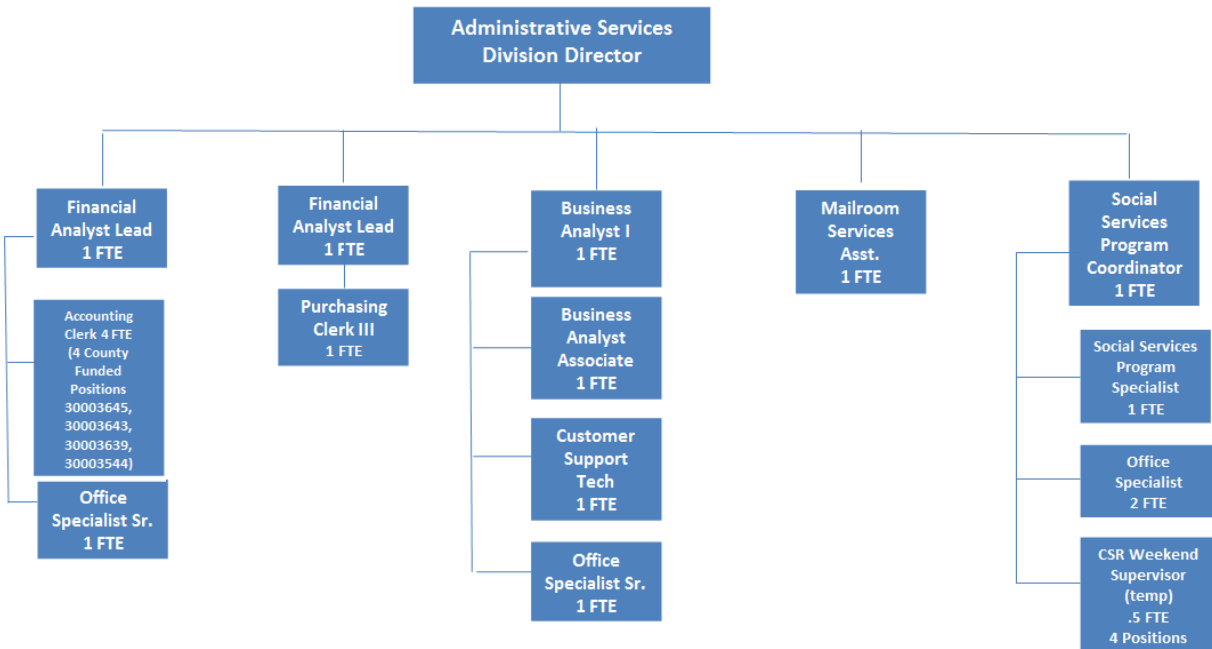


COMMUNITY SUPERVISION & CORRECTIONS ORGANIZATIONAL CHART



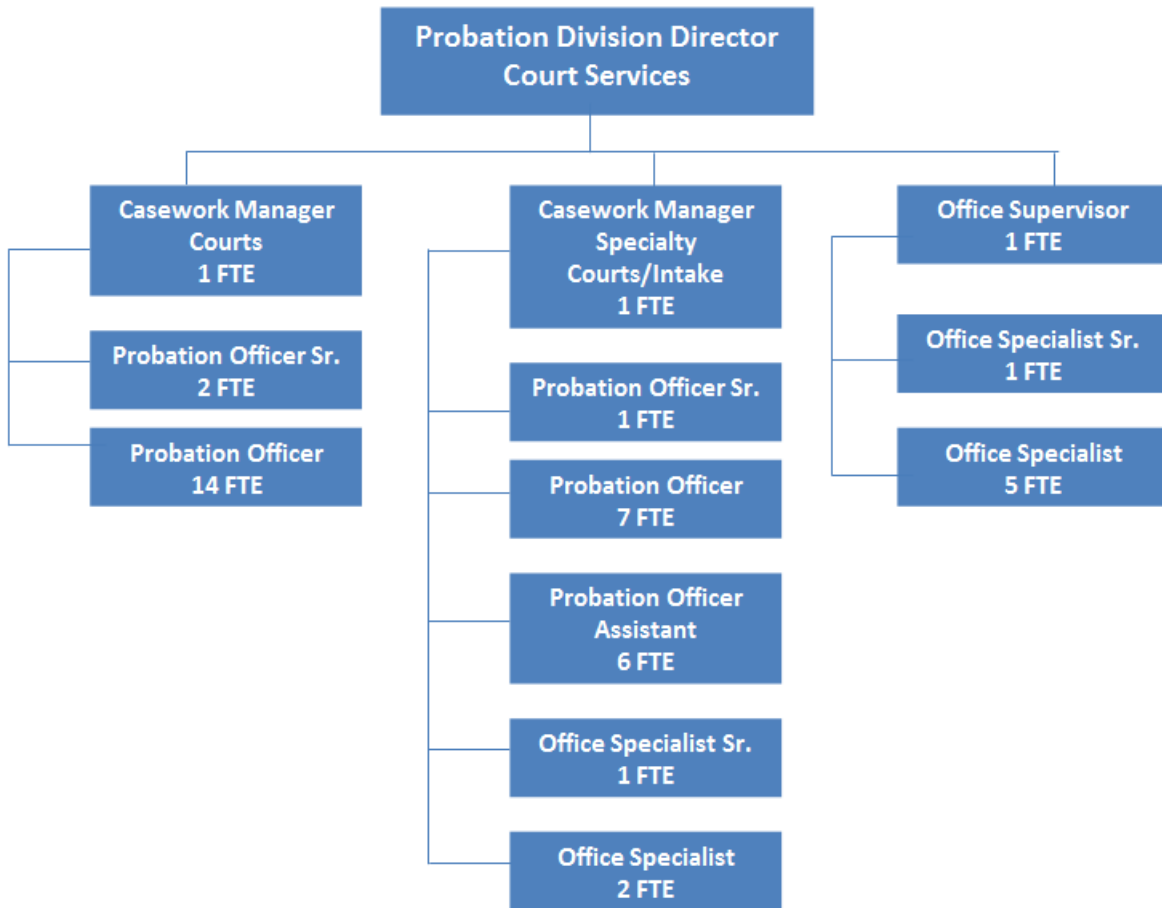
As of 4/30/15

ORGANIZATIONAL CHART ADMINISTRATIVE SERVICES



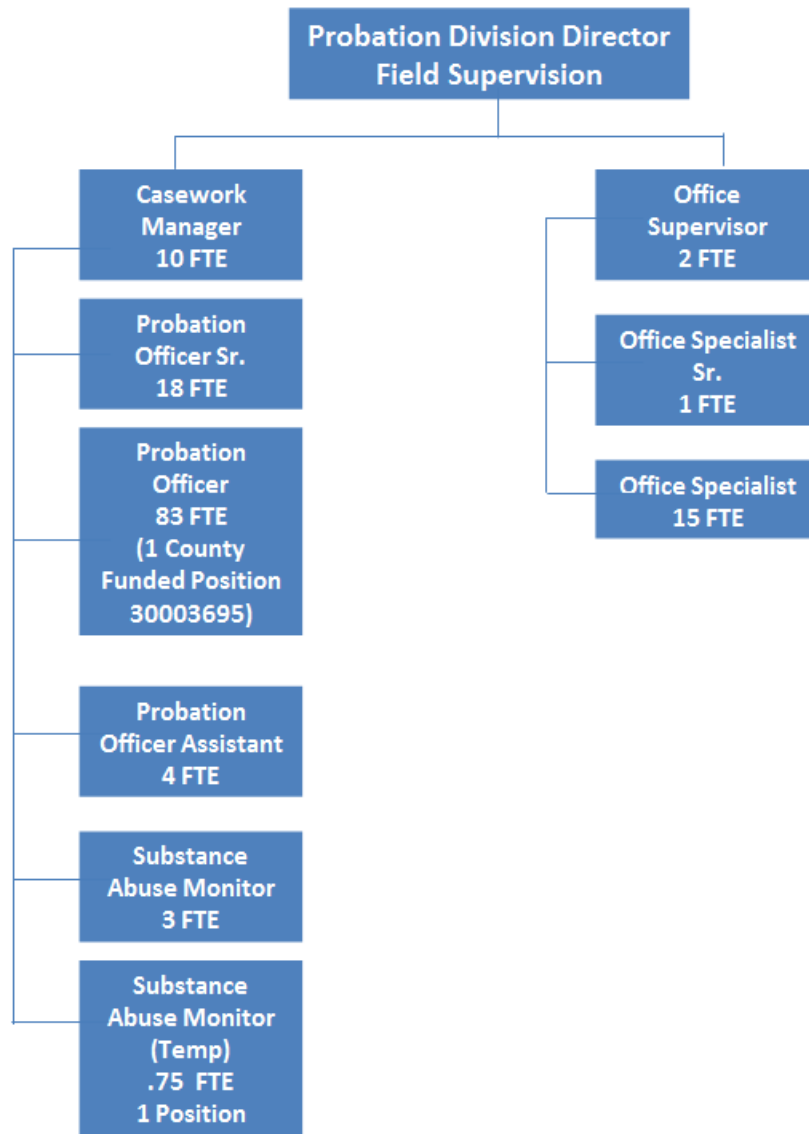
As of 4/30/15

ORGANIZATIONAL CHART PROBATION DIVISION – COURT SERVICES



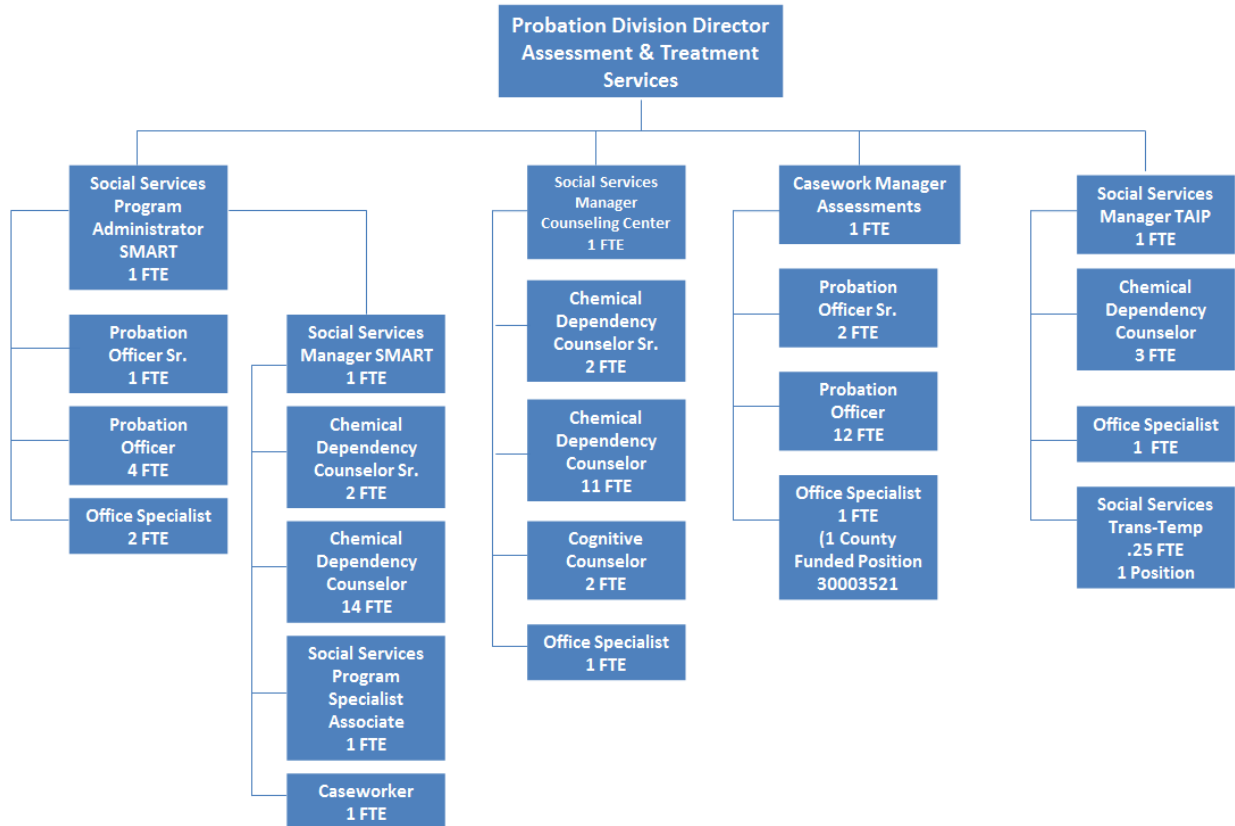
As of 4/30/15

ORGANIZATIONAL CHART PROBATION DIVISION – FIELD SUPERVISION



As of 4/30/15

ORGANIZATIONAL CHART PROBATION DIVISION – ASSESSMENT & TREATMENT SERVICES

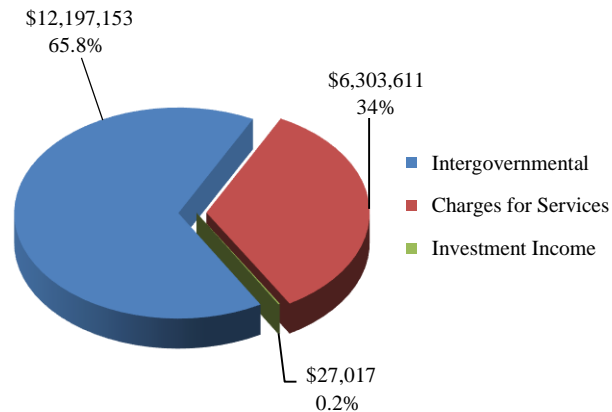


As of 4/30/15

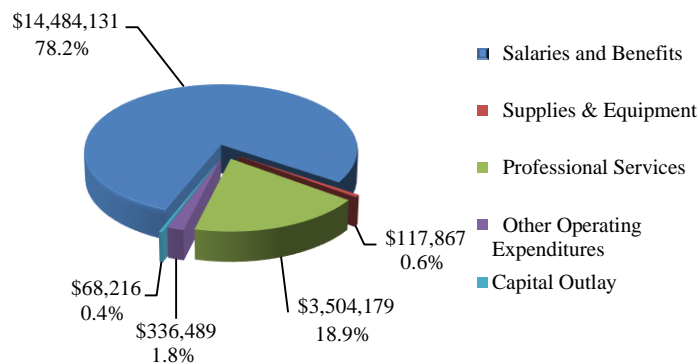
FISCAL YEAR 2015 FINANCIAL DATA

During fiscal year 2015, the Travis County Community Supervision and Corrections Department received \$12,197,153 in intergovernmental revenue, \$6,303,611 in charges for services, and \$27,017 in investment income. Salaries and Benefits represented approximately 78 percent of the expenditures which totaled \$14,484,131. This department is funded 66 percent by grant funds and 34 percent by offender fees. The details for their revenue and expenditures are provided below in graph form.

Revenues



Expenditures



FUNCTIONAL AREAS RISK PROFILE

FINANCIAL SERVICES RISK PROFILE

MISSION AND OBJECTIVES

Financial Services provides financial resources to all of CSCD's divisions. Financial Services is responsible for receiving and processing the deposit of collections from the CSCD units that collect court costs, fines, fees, and restitution. This division is responsible for entering all fees assessed by the courts, preparing payment plans for probation terms, and adjusting fee schedules for court ordered modifications such as waivers of fees, changes to monthly payment amount, and probation term extensions.

This division is also responsible for processing disbursements for a variety of services, including the remittance of restitution to victims, refunds for overpayments, and remitting funds to various agencies (e.g. Crime Stoppers, Safe Place, etc.). In addition, this division prepares monthly departmental financial statements and bank reconciliations.

SIGNIFICANT ACTIVITIES

Accounts Payable

Disbursements processed by Financial Services include restitution to victims, refunds for overpayments, fees to the County Treasurer and other agencies (e.g. Crime Stoppers, APD, etc.), and unclaimed funds to the State and/or Treasurer. Checks for restitution are processed twice a month and fees to other agencies are disbursed once a month, with the exception of the sex offender fees, which are disbursed quarterly.

Fees due to the Treasurer are remitted via ACH on a daily basis, and Financial Services initiates the entry in the SAP system. Refunds for overpayments of \$5 or higher are disbursed monthly, but not until all cases related to a probationer have been closed; overpayments are credited to the probationer's open cases first. Finally, unclaimed funds that are eligible to be escheated are remitted annually to the State and Treasurer. Note: details for all newly issued checks are uploaded directly into the bank's computer system, which prevents fraudulent checks from being paid out of the CSCD bank accounts. This process is called "Positive Pay."

Accounts Receivable

Conditions of probation are ordered by the judge and new probationers are required to pay all of their court costs, fines, attorney fees, etc. on the day of sentencing. For probationers who cannot pay the fee assessment in full on the day of sentencing, a payment plan is set up for the probation term. The probationer is required to sign the agreed upon payment plan. The probation officers monitor the client's payment performances during the probation period. (See Field Supervision for more details on collection procedures.)

Cash Handling

Financial Services is responsible for reconciling the deposit of collections from the CSCD units that collect court costs, fines, fees, and restitution to the bank accounts. The allocation of credit and debit

card payments is performed by Financial Services once the funds are received from the third party vendor. Also, the Substance Abuse Residential Treatment Program (SMART), Mental Health, and Executive Office Building (EOB) locations' daily deposits and closeout reconciliations are prepared in Financial Services. They complete deposit slips for currency received and frank the checks and money orders as well (Franking means to scan/digitize the checks and money orders into electronic drafts.). Financial Services is also responsible for voiding receipts when necessary.

Professional Services

Financial Services is responsible for reviewing all third party vendor invoices (for all contracted vendors) each month. This includes, but is not limited to, services for substance abuse, psychological evaluation, and residential emergency shelter. Each vendor provides a monthly invoice, which includes a detailed list of all services provided and the rate at which those services have been billed.

When a probationer receives treatment or services of any kind, a signed (by the probationer, probation officer, manager, and vendor) admission form authorizing and approving the treatment/service is submitted to Financial Services, thereby confirming the treatment/service was provided. Each service on the invoice is verified to the admission form, as well as the contractual agreement for services and the allowable rate. Once the invoice is approved, CSCD personnel create a shopping cart entry in SAP for the invoice; they also attach supporting documentation for the requested payment in SAP. This allows Auditor's Office personnel to review the item before payment is authorized.

Court Functions

All fees including court costs, fines, attorney fees, etc., are assessed by the courts. Financial Services is responsible for entering these fees in the AccuTerm system based on the conditions of probation ordered by the judge. Misdemeanor cases only require probation and restitution fees to be entered, while felony cases require entry of all assessed fees.

There are various types of court-ordered modifications that affect the probationer's fees, including: waivers of fees, probation term extensions, amendments of the original payment schedule, transfers of probationers, etc. It should be noted that probation fees are set at \$60 per month, which cannot be adjusted unless a financial study has been completed by the probation officer. A lead staff member is responsible for modifying any fees in the system, and the system maintains an audit trail by requiring a description for all modification entries. This description is visible to the probation officer as well as the Financial Services staff.

General Ledger

On a monthly basis, a lead staff member reconciles the general ledger accounts to supporting records and posts necessary journal entries.

Bank Reconciliations

The bank accounts are reconciled on a daily basis to verify that all funds collected and disbursed per the office accounting records were actually received and paid by the bank (and vice versa), as well as facilitate the correction of any discrepancies. A lead staff member performs month-end bank reconciliations in order to verify that the daily reconciliations are accurate, that any discrepancies have been timely corrected, and to prepare the financial statements.

Reporting

A lead staff member reviews system generated reports, which support the financial statements, to identify errors that need to be corrected, accruals and prepayments that need to be made, and trends that need to be highlighted. When complete, the financial statements are approved and provided to the County Auditor's Office.

FINANCIAL SERVICES BUSINESS PROCESS RISKS AND RISK RATINGS

The following chart depicts the risk ratings for the Financial Service's business areas:

Business Process	Risk Rating
Accounts Payable	Low
Accounts Receivable	Low
Cash Handling	Medium
Professional Services	Low
Court Functions (a)	High
General Ledger	Low
Bank Reconciliations	Low
Reporting	Low

(a) Court Functions – Although there are many activities that fall under the Court Functions process, the one that is applicable to Financial Services includes entering, amending, and waiving court costs, fines, and fees.

The following are the primary risk areas/control objectives for this division:

1. Disbursements should be properly prepared, accounted for, and approved to help prevent misappropriation or incorrect distributions of funds.
2. Delinquent accounts should be monitored to ensure collection efforts are sufficient, thereby preventing a loss of County revenue.
3. Collections (i.e. cash, credit cards, etc.) should be properly tracked, reviewed, and accounted for to prevent loss or misappropriation.
4. Implementation and maintenance of sufficient cash handling and bank reconciliation controls are essential to safeguard funds from loss or misappropriation.
5. Fees entered into the system should be periodically reviewed to ensure agreement with statutes and to verify clients are not being over/under charged.
6. Managerial review of modifications to fees is essential to ensure collections are not lost or misappropriated due to unauthorized adjustments.

7. Invoices to third party vendors for services should be properly reviewed to reduce the risk of pricing errors, charges for services not performed, or charges for services that are not in adherence with contract terms.

FINANCIAL SERVICES AREAS OF CONCERN

During our risk assessment, we noted the following controls that do not appear to be sufficiently mitigated by active internal controls:

Cash Handling and Court Functions

There is a lack of segregation of duties. The primary Accounting Clerk at the CJC office has the ability to modify, adjust, and waive fees in the AccuTerm system; this is in addition to receipting payments at a location that also accepts cash. Even though court support is required for any type of modification to fees, there is no formal review process in place to verify that the waivers and adjustments in the system have proper supporting documentation.

COURT SERVICES RISK PROFILE

MISSION AND OBJECTIVES

Court Services ensures all probation cases are appropriately staffed with the Court Officers who work closely with the judge and attorneys. Court Services serves as a support function by preparing felony and misdemeanor court dockets, maintaining supporting documentation in case files, and preparing motions and other legal documents. In addition, Court Services is responsible for handling special cases such as unsupervised cases, appeal cases, shocked cases, etc. The Court Services Intake Office is the first point of contact for newly probated defendants. Court Services must collaborate with the District and County Clerks' Offices, District and County Attorneys' Offices, Sheriff's Office, and Texas Department of Public Safety (DPS) to ensure all data pertaining to the offender is correct in the various court systems (e.g. CSS, FACTS, etc.).

SIGNIFICANT ACTIVITIES

Court Support

Support Staff assist court officers during proceedings involving probation cases, print felony and misdemeanor court dockets, provide violation reports per attorney and judge requests, update court officers with any recent developments with the offender, prepare judgments containing the offender's terms or conditions of probation, process incoming mail, enter motions into CSS and distribute to the field offices, assemble folders for court officers to use in court when placing offenders on probation, enter revoked case information in the Access database, provide State Jail facility revoked case packets to the TCSO State Jail Clerk, and process a variety of paperwork on a daily basis.

Court Officers

The Court Officers prepare substitute files for court, maintain the case files for status and accuracy, and prepare the felony, misdemeanor, and jail reduction dockets. Also, Court Services is responsible for determining restitution on felony cases, handling sex offender forms, jail release cards, etc.,

reviewing various reports (e.g. Court Action Reports), and preparing motions and other legal documents. The Court Officers are assigned caseloads for cases where the judge stacks one probation case on another and caseloads for special cases that may include, but are not limited to, incarceration of the offender, cases on formal appeal, and cases with pending motions for a new trial. In addition, the Court Officer may have cases directly assigned from court that are unsupervised, shocked, or other. Finally, Court Officers may be assigned to a Court Staffing Team, which is a collaboration to provide judicial support and specialized supervision for Mental Health Court, DWI Court, Youthful Offender Court, etc.

Intake Office

The CSCD Intake Office is the first point of contact for newly probated defendants. This group records the initial defendant and offense identifiers and codes in the case management system used for disposition reporting to the Department of Public Safety. The Intake Office confirms that case information in the Corrections Software Solutions (CSS) system is accurate and corresponds with the most current court action regarding the defendant's status including adjudications and returns from shock and appeal status. They verify that files are forwarded to the assigned field officer within a timely period.

Intake also ensures that the offender has the necessary information when IID, Portable Alcohol Monitoring Devices, or SCRAM is ordered. The Intake staff collects DNA samples from offenders convicted of a felony offense and verifies that defendants are being supervised in their county/state of residence once they have transferred in or out of Travis County. Finally, the Intake staff assigns the offender to the next probation officer in line to get a case. This is done to ensure the officers are assigned cases in a fair and equitable manner, which will help caseloads remain equalized. Also, to ensure officers are supervising the correct probated person, a photo is taken at the Intake office.

COURT SERVICES BUSINESS PROCESS RISKS AND RISK RATINGS

The following chart depicts the risk rating for the Court Service's business areas:

Business Process	Risk Rating
Court Functions (b)	Low

(b) Court Functions – Although there are many activities that fall under the Court Functions process, the one that is applicable to Court Services include preparing and maintaining the supporting documentation for case files as well as securing confidential/sensitive information.

The following are the primary risk areas/control objectives for this division:

1. In order to help ensure that proper supporting documentation is maintained and that court cases proceed properly, case information should be properly recorded and tracked.
2. Sensitive information should be properly secured from outside parties to prevent the loss or misuse of that data.

COURT SERVICES AREAS OF CONCERN

Based on our risk assessment, Court Services appeared to have no material internal control weaknesses.

FIELD SUPERVISION RISK PROFILE

MISSION AND OBJECTIVES

The mission of the Field Supervision Division is to supervise and monitor probationers to assist them in meeting their supervision conditions. This division ensures the probationer makes restoration to the community and/or victims. Also, this division assesses the probationer's risks and needs to help ensure that he/she receive the proper programs and services that will help them become law-abiding citizens.

SIGNIFICANT ACTIVITIES

Field Supervision Support

The CSCD Field Supervision Support Staff processes reports (e.g. early discharge requests, 24 hour high risks, violations, etc.), prepares substitute folders for court, produces orders to revoke probation, and scans a variety of supporting documentation. They also maintain supporting documentation for discharge/revocation/closure cases for two years.

The Support Staff also receives and verifies incoming case files from the Intake Office and performs local, state, and federal warrant and criminal history inquiries on the offenders. Support staff schedule administrative hearing dates, prepare case file packets for the hearing, handle hearing sign-in sheets and forms, and enter CSS updates for the hearing. Finally, Support Staff process incoming mail, handle offense reports (crime records) delivered in the interoffice mail, take minutes in the weekly staff meetings, answer incoming calls, open and close the office each day, and greet visitors.

Field Supervision

The CSCD Field Supervision conducts the initial interview with the probationer. This initial interview sets the guidelines for the probation term. Probation Officers supervise all cases, ranging from misdemeanors to felonies, including sex offenders and family violence. The Officers conduct the Initial Interview Questionnaire (IIQ), complete the Case Classification (risk/needs assessment), negotiate the supervision plan, complete a financial study, and provide referrals for substance abuse recovery support. The Officers restrict or authorize offender travel within and outside of Texas in accordance with Interstate Compact Guidelines and monitor that offenders are in compliance with conditions of probation, as well as verify that offenders are enrolled in the sex offender electronic technology monitoring and/or ignition interlock/alcohol monitoring programs.

When necessary, the Officers complete requests to amend the original conditions of probation, extensions of probation, financial studies for fee waivers and reductions, and waivers or reductions to Community Service Restitution (CSR). The Officers also monitor fee payments to ascertain if they are made as specified on the conditions of probation and address fee payment delinquencies in a timely manner per the sanctions model. Office Specialists are responsible for processing fee

collections, including posting, receipting, and depositing the funds received. Finally, Lab Monitors are responsible for testing offenders, including urinalysis, blood draws, and breathalyzers.

Although there are many activities that fall under the Field Supervision Division, the following were noted as significant:

Supervising cases

Supervising cases entails conducting the initial interview with the probationer, completing the Initial Interview Questionnaire (IIQ) and financial study, assessing the offender's risk and needs, and negotiating the Supervision Agreement, which is a plan of supervision based on what the offender's major criminogenic needs are and how they will be addressed. The probation officers (POs) also restrict or authorize offender travel within and outside of Texas in accordance with Interstate Compact Guidelines, provide referrals for substance abuse recovery support, monitor offenders for compliance with conditions of probation, and monitor offenders enrolled in the sex offender electronic technology monitoring and ignition interlock/alcohol monitoring programs. Finally, POs monitor fee payments to ascertain if they are made as specified on the conditions of probation and address fee payment delinquencies in a timely manner per the sanctions model.

The various types of caseloads handled by Field Supervision include, but are not limited to, domestic violence, sex offender, high risk, youthful offender, mental health, substance abuse, regular, field maintenance, etc.

Financial study

A Financial Study is used to determine a probationer's ability to pay fees, and courts frequently request that financial studies be completed when they probate new cases or in the course of a hearing on a Motion to Revoke. In some instances this will delay the collection of offender fees until the Court receives the Financial Report and determines the appropriate payment amount. For newly probated cases, this request is ordered on the Conditions of Probation. Therefore, the Probation Officer (PO) will start the financial study at the initial interview or upon receipt of the Court Action Report requesting a financial study.

The Financial Study details the offender's income and expenses, thus the offender must provide verification of these items. If verification of income and expenses is not received at the end of the seven days, the court is notified in the text section of the Financial Report that the offender's financial status could not be verified due to his/her lack of cooperation. In this circumstance, the PO recommends that the offender pay full supervision fees. A signed copy of the study is provided to Accounting and a copy is placed in the file.

Amended conditions, extensions, and fee waivers and reductions

Conditions of probation may be amended in circumstances such as to adjust or waive multiple supervision fees, add and/or delete classes, request counseling or treatment, modify CSR requirements, extend the term of probation, or any other situation that requires a modification of the conditions. Most fee reductions are for a limited timeframe, allowing the PO to determine if the probationer will need the reduced payment permanently or not. It should be noted that only Accounting has system access to make adjustments to fee balances.

Drug testing

A co-payment of \$10 is assessed for each drug testing event, including Breath/Blood Alcohol Content (BAC) testing. This fee is for testing of DWI Court participants, Courtesy Cases, and probationers in the SMART Continuing Care program as well. Probationers in SMART residential are not assessed the co-payment fee. The \$10 fee is automatically assessed when the Lab Monitor or PO enters the drug testing information in the CSS system.

The drug testing co-payment may be waived by the court if a financial study indicates a waiver or reduction of fees is warranted. If the drug testing co-payment was waived and the probationer tests positive while on probation, the drug testing co-payment can be reinstated, if the PO decides this would be beneficial in helping the probationer be accountable and responsible. Only managers have access to check the drug testing waiver box in the CSS system.

Cash handling

Cash handling procedures include receiving payments in the mail, the dropbox, and in person; researching unknown payments; collecting payments in the form of cash (only at the CJC and central office locations), checks, credit cards, etc.; posting payments in the system; issuing receipts, performing the daily closeout reconciliation; and franking the checks. The Office Specialists at each unit are responsible for these cash handling duties. Probation officers do not accept payments from the probationers. They are directed to the front window to make payments.

Mail and dropbox payments are received daily and listed on separate logs. One employee is present and responsible for opening the mail and dropbox items, researching the payments received, endorsing all checks and money orders, and completing both the mail and dropbox payment logs. Once the logs are completed, they are emailed to a second employee who is responsible for entering the payments in AccuTerm. As the second employee receipts the payment, she/he populates the "receipt number" column on the mail and dropbox logs. When all payments have been receipted, the mail and dropbox logs are printed and filed in a binder.

Note: Mail payments at the SMART Unit are received and opened by the vendor, Correctional Solutions, LLC. They are then delivered to a CSCD employee for processing. Dropbox payments are checked by either of the two employees onsite.

When in-person payments are made with cash, check, or money order, the probationer must provide identification in order to locate their case information in the system. The relevant case number is selected and a receipt is generated. The payment fields, including paid by, payment type, check/money order number, and amount paid are entered. The amount of the payment is automatically allocated by AccuTerm to the probationer's outstanding fees. The check/money order is endorsed (if applicable) and placed in the cash drawer, along with any cash received. Finally, the probationer receives a printed receipt.

Credit/debit card payments also require identification to locate the case information in the system. The payment fields, including amount paid (probationer fees plus \$2 processing fee and 2.75 percent vendor fee), cause number, probationer name, and zip code are completed using the Certified Payments site. The probationer then receives a printed receipt. The Office Specialist does not enter these payments in AccuTerm. Allocation of credit/debit card payments is performed by Accounting once the funds have been received in the bank from the third party vendor.

Occasionally, a payment is received that cannot be identified due to missing or illegible information. Attempts are made to determine the proper probationer and case. The majority of the time, staff are able to determine where the payment should be applied. When a payment cannot be identified, it is logged on a spreadsheet as an overpayment and deposited. After three years, it will be treated as unclaimed property and remitted to the appropriate government entity based on statutory guidelines. These disbursements are performed by Accounting.

At the end of each day, the Office Specialist runs the daily closeout reports in AccuTerm and Certified Payments. Funds on hand are reconciled to the AccuTerm report and the Certified Payments summary report is sent to Accounting for reconciliation. Any variances are researched and corrected, and a new report is printed and reconciled a second time. Once reconciled, all funds, with the closeout documentation, are placed in the safe until they are deposited the following business day.

The following business day the checks and money orders are franked. The Office Specialist scans the checks and money orders into ITMS and enters the batch total from the daily closeout report into ITMS. If the total entered does not balance to the total scanned, the deposit cannot be approved and the variance is researched by comparing each check/money order to the scanned image. Once the batch total and scanned total agree, the deposit can be approved. The units receive an email from Accounting when the batch deposit has cleared the bank, as well as the deposit total, which is verified by the Office Specialist prior to franking the checks and money orders. If all is in agreement, the Office Specialist logs into ITMS, selects the batch, and franks the checks and money orders. The Office Specialist then prints the closeout reports, reconciliation sheet, ITMS report, and franked report. These reports, along with the checks and money orders, are retained in a locked cabinet.

FIELD SUPERVISION BUSINESS PROCESS RISKS AND RISK RATINGS

The following chart depicts the risk ratings for the Field Supervision's business areas:

Business Process	Risk Rating
Cash Handling	High
Court Functions (c)	Medium

(c) Court Functions – Although there are many activities that fall under the Court Functions process, the ones that are applicable to Field Supervision include supervising and monitoring probationers on the various caseloads, assessing the probationer's risk and needs, entering updated information into the applicable court system, preparing and maintaining the supporting documentation for case files as well as securing confidential/sensitive information.

The following are the primary risk areas/control objectives for this division:

1. Funds received should be properly accounted for and safeguarded from loss and misappropriation.
2. In order to ensure compliance with applicable statutes, fees should be properly collected and disbursed.

3. The risks and needs of a probationer should be correctly assessed to ensure he/she receives the adequate services necessary to remain in compliance and successfully complete probation term.
4. Updated probationer information should be properly entered into the applicable system; thereby, ensuring sanctions are not incorrectly imposed.
5. In order to help ensure that proper supporting documentation is maintained and that court cases proceed properly, case information should be properly recorded and tracked.
6. Sensitive information should be properly secured from outside parties to prevent the loss or misuse of that data.

FIELD SUPERVISION AREAS OF CONCERN

During our risk assessment, we noted the following controls that do not appear to be sufficiently mitigated by active internal controls:

Cash Handling

1. Probationers are able to use a credit or debit card that is not in their name without proof of authorization. No verification is performed to ensure that the charges to the card are allowable.
2. There is a lack of segregation of duties when the mail and dropbox payments are being processed. Only one employee is present when opening the items in the mail/dropbox. This employee also has access to the financial software.
3. Controls related to segregation of duties are not sufficient at the South Unit. This unit has an Office Specialist and an Office Specialist Senior who prepare the daily deposits. However, the Office Specialist receipts payments, which is an incompatible duty with deposit creation.
4. On occasion at the South Unit, a payment intended for the Tax Office is left in the CSCD dropbox. These payments are not listed on the dropbox log; they are merely hand delivered by CSCD staff to the on-site Tax Office satellite office. Since these items are not recorded on a log, there is no way to ensure payments are not lost or misappropriated.

ASSESSMENT AND TREATMENT SERVICES RISK PROFILE

MISSION AND OBJECTIVES

The mission of Assessment and Treatment Services is to accurately identify and treat the physiological and chemical dependency concerns that help contribute to a defendant's unlawful behavior. By treating the underlying causes of a person's unlawful behavior, Assessment and Treatment Services hopes to promote positive growth within offenders and reduce the rate of recidivism while giving offenders alternatives to incarceration, which is costly for Travis County taxpayers.

SIGNIFICANT ACTIVITIES

Diagnostic Services and TAIP (Treatment Alternatives to Incarceration Program)

Diagnostic Services and TAIP work with the courts to diagnose defendants using a Pre-Sentence Investigation (PSI) profile. The profile is intended to help identify offenders who would benefit from chemical dependency treatment, criminal behavior modification, and mental health diagnoses. Using the PSI, recommendations for programs are written by Diagnostic Officers and submitted to the courts.

Counseling Services and Inpatient Treatment Programs

Based on recommendations from Diagnostic Services and TAIP, the Travis County Judge may order a defendant to complete an array of counseling and/or mental health programs. These programs may be provided by outsourced providers or in one of Travis County's counseling centers. The Counseling Services Program administers the following programs:

- *Intensive Outpatient Substance Abuse Program* – offers separate tracks for males and females, which is consistent with research indicating improved outcomes for gender specific groups. Placement is based on assessment by the TAIP Unit. Referral is based on risk level, criminal history, mental health status, severity, and chronicity of substance abuse. The program offers a Relapse Track for those who experience a relapse. This does not include the inpatient substance abuse program (SMART) offered by vendors of Travis County CSCD.
- *Continuing Care Program* – offers ongoing support and direction for offenders who have completed either a residential or out-patient program for substance abuse. The curriculum's components address relapse prevention as offenders progress in recovery and re-establish themselves in the community. The program offers a Relapse Track for those who experience a relapse. This does not include the continuing care program for the SMART inpatient program offered by vendors of Travis County CSCD.
- *Cognitive Skills Enhancement Program* – offers specialized cognitive classes to address criminogenic needs for probationers who engage in criminal conduct, but do not have a history of substance abuse. All offenders are assessed by the Department's Centralized Assessment Unit and referral is based on identified risk level, criminal history, and mental health status.
- *DWI Court Treatment Program* – is a 12 month program targeting repeat DWI offenders. Both male and female participants enter the treatment program after their plea in court places them on probation. The program has five phases: Intensive Outpatient Treatment (IOP), Supportive Outpatient (SOP), Continuing Care (CC), Supportive Continuing Care (SCC), and Maintenance. The program offers a Relapse Track for those who experience a relapse.
- *Youthful Offender Support Court* – offers select offenders an opportunity to participate in a program that utilizes a collaborative effort between the judiciary, the probation officer, and Counseling Center staff to provide specialized supportive supervision, intervention, and resource linkage to youthful felony offenders. Counseling Center staff work with these offenders via cognitive treatment programming.

- *Integrated Services Program* – is a collaborative effort between Travis County CSCD, State of Texas Parole, and Austin Travis County Integral Care ANEW to enhance outcomes for individuals assigned to probation or parole with a mental health priority population diagnosis. Staff work collaboratively with the offender to provide intensive services, coordination, and assistance with medication management and compliance, completion of treatment, addressing any special needs, and compliance with the orders of the Court or Parole Board. Travis County does not administer medications.

Substance Abuse Residential Treatment Program (SMART)

The SMART program provides Misdemeanor and District Courts with a sentencing alternative for alcohol and substance abusing offenders by providing intensive substance abuse treatment and offender re-socialization in a community setting. Offenders are placed in the SMART program based on the judge's approval of recommendations from the Treatment Alternative to Incarceration Program (TAIP) and Diagnostic Services Division. The offender must have a clinical assessment showing that intensive group and individual treatment in a community-based residential setting is their last alternative. They must not have major intellectual, mental health, or medical issues (or currently be pregnant). SMART clients generally have prior treatment failures and/or technical violations.

General program outline

SMART is a 116-bed substance abuse treatment program that serves both male and females with residential and continuing care services. The residential phase is 16 to 20 weeks in duration, while the continuing care lasts for six months, making the total length of the program ten to eleven months. The program includes substance abuse treatment and the SMART Re-Entry Court, a problem-solving court that supports the Continuing Care treatment. In addition, SMART includes three components that research has shown to be essential to success: 1) continuing care, 2) intensive attention to anti-social thinking for high risk/case-control and limit setting offenders, and 3) a family program that is designed to assist family members.

The SMART program is overseen by CSCD and funded by the Texas Department of Criminal Justice's Community Justice Assistance Division. Operations and resident supervision are contracted out to several private vendors.

The SMART program's work release component allows approved and employed residents to leave the facility for eight hours of work between 5:00 a.m. and 5:30 p.m. on Monday through Friday. The employment must follow SMART program guidelines and be verifiable.

The Continuing Care phase of the program begins once residents are released into the community. Former residents must continue group and individual counseling, as well as AA/NA support groups. This is the final phase of the SMART program that is also completely outsourced with vendors.

Employees and volunteers

Guidelines are followed to ensure Travis County staff, vendor employees, and volunteers are properly trained, and that appropriate staffing is provided per the guidelines set forth by the Texas Department of Criminal Justice's Community Justice Assistance Division. All Chemical Dependency Counselors must be Qualified Credential Counselors (QCC) or Licensed Chemical Dependency Counselors (LCDC) or be within six months of obtaining their LCDC, in order to be considered for employment. All employees, vendor employees, and volunteers receive extensive background checks and sign a

code of ethics statement. Travis County contracts with a vendor (Correctional Solutions, LLC) to provide residential staff for treatment (such as nurses and doctors).

For Travis County employees and volunteers, copies of degrees and current credentials are maintained at the department's administrative office by the Human Resources Coordinator. Annual HIV and Ethics training requirements are provided by Travis County online. The Human Resources Coordinator helps ensure that all employees obtain the required training hours and renew their licenses. Volunteers may only perform services they are licensed to perform. Vendors' records are inspected yearly to ensure their employees and volunteers have copies of degrees, current credentials, and required continuing education on file.

Incidents involving possible sexual misconduct or hostile, intimidating, and/or acts/threats of violence must be reported immediately to a supervisor by volunteers, Travis County employees, or vendor staff. All incidents are investigated and the SMART Director is notified within 24 hours. Incidents of a hostile or violent nature are required to be reported to the SMART Director or Social Service Manager immediately. All incidents are investigated and reported to the supervisor of the accused.

Transportation

The SMART program has four vans and a pick-up that may be used for business purposes only. Employees and contractors use vehicles to transport residents to vendor treatment facilities and appointments as needed. Kitchen staff is not authorized to drive the vehicles since they do not transport residents. All temporary and contract staff are covered by insurance purchased by the county through Texas Association of Counties (TAC). However, the names and personal information must be submitted to the insurance agency, which has the right to reject specific parties at their discretion. If rejected, that individual is no longer allowed to drive Travis County vehicles.

All vehicle operators must follow the Program and Department Vehicle Use Policy. Per Texas' Standards for CSCD, "All direct care staff whose primary duties include transporting offenders shall attend a defensive driving course by the first anniversary of their hire date. Direct care staff shall take defensive driving courses as needed to maintain certification." Requirements and documentation of completion of defensive driving are maintained by the Human Resources Department.

All program vehicles are fueled at Travis County fueling stations as authorized by the TNR and given a pin number to input at the pump along with the vehicle ID (found on vehicle key chain).

Records

Clients are given access to their treatment records in accordance with Texas Health & Safety Code Section 611.0045. When clients request access to their records, the written request is forwarded to the Social Services Manager. The request is reviewed and approved/denied by the Social Services Manager in accordance with the Code.

If clients are approved access to their records, he/she reviews the records in the presence of a counselor and a manager. If clients are denied access to their records in accordance with the Code, the counselor shall give the client a signed and dated written statement that having access to these records would be harmful to the client's physical, mental, or emotional health. The counselor's written statement must specify the portion of the record to which access is denied, the reason for the denial, and the duration of the denial. A copy of the counselor's statement is placed in the treatment file. The client's file is updated with actions taken in regards to their request.

Financial Component

The estimated charge for participation in the Travis County SMART Program is \$10 per day, not to exceed \$1,400, or an amount ordered by the courts as specified in the conditions of community supervision. The total program fee must be paid in full one year from the date the court orders that the client be admitted to SMART.

Clients participating in Work Release are required to pay the amount of the treatment fee in full, prior to being discharged from the residential phase (Collection of payments is performed by Field Supervision and Financial Services.). At any time during the PSI, through the end of the probation or treatment term, the defendant/participant may request a Financial Study for assistance with payment of treatment fees, usually due to a loss of income or increased expenses.

Audits are performed annually with vendors to verify the validity of services billed to Travis County for the offenders receiving financial assistance through Travis County.

Urinalysis

When it is suspected that an offender (resident or continuing care patient) has used drugs and/or alcohol, a urinalysis is performed. Also, a urinalysis is performed when clients enter the program and at random intervals. The vendor contracted for the care of the offender performs the urinalysis and incurs the costs.

Medicine

Prescription and over-the-counter medications are stored in a locked storage room and are accessible only to vendor staff that is authorized to provide medication. Syringes, needles, and other medical supplies are also kept in this locked storage room.

ASSESSMENT AND TREATMENT SERVICES BUSINESS PROCESS RISKS AND RISK RATINGS

The following chart depicts the risk ratings for the Assessment and Treatment Service's business areas:

Business Process	Risk Rating
Court Functions (d)	Medium
Inventory	Low
Professional Services	Medium
Program Eligibility	Medium

(d) Court Functions – Although there are many activities that fall under the Court Functions process, the one that is applicable to Assessment and Treatment Services includes maintaining the supporting documentation for case files, as well as securing confidential/sensitive information.

The following are the primary risk areas/control objectives for this division:

1. Sensitive information should be properly secured from unauthorized parties to prevent the loss or misuse of that data.
2. Inventory and supplies should be inspected, tracked, and protected by secured access points to prevent the loss or theft of these items.
3. Professional services should be adequately monitored to verify the vendor timely addresses performance and/or financial issues thereby ensuring County objectives are being met and services are provided in adherence with contract terms.
4. Program eligibility documents should be reviewed to ensure the clients are properly assessed for recommended treatments and remain eligible for such treatment.

ASSESSMENT AND TREATMENT SERVICES AREAS OF CONCERN

During our risk assessment, we noted the following controls that do not appear to be sufficiently mitigated by active internal controls:

Program Eligibility

1. The Financial Assessment is used to determine a probationer's treatment co-pay fees and the Financial Study is used to determine the probationer's ability to pay the fees. When a defendant/participant completes a Financial Study form requesting assistance with payment of treatment fees, they are not asked to provide proof of income or expenses unless a staff member feels there is a discrepancy on the form. Also, updated Financial Study forms are not periodically requested from the defendant throughout their treatment process to verify whether or not the defendant is still eligible for assistance with payments of their treatment fees.
2. Management in the Diagnostic Services Division voiced specific concerns regarding the inability to find qualified Licensed Clinical Dependency Counselors to meet the increased number of PSIs that must be performed by Travis County each year.

Security

It was brought to our attention that the North unit counseling center does not have on-site security after 5:00 p.m. As a result, only moderate to low risk clients are allowed to schedule late appointments. However, staff members are still concerned about the safety of employees (usually three counselors) conducting these late appointments.